

FINAL STATEMENT OF REASONS

Title 2. Administration
Division 2. Financial Operations
Chapter 3. Department of General Services
Subchapter 4. Office of Public School Construction
Group 1. State Allocation Board
Subgroup 3.5. Regulations Relating to Surplus School Property; Use of Proceeds

Section 1700. Definitions.

Specific Purpose of the Regulation

To provide the meaning of specific words and terms that are essential to these regulations.

Need for the Regulation

It was necessary to provide definitions for specific words and terms that are used extensively in these regulations as it relates to site sale proceeds. Further, the "One-time Expenditure" definition is consistent with Education Code Section 17463.8(f). The definition of "Ongoing Expenditures" with regard to site sale proceeds captures the intent of Senate Bill 1415 and was mutually agreed upon between the California Department of Education and the Office of Public School Construction as stipulated in statute.

DOCUMENTS RELIED UPON AND STATEMENTS REGARDING THE RULEMAKING

Technical Documents Relied Upon

The State Allocation Board's Action item, dated March 28, 2007, entitled "Implementation of Senate Bill 1415 Proposed Regulations."

Alternatives to the Proposed Regulatory Action that would be as Effective and Less Burdensome to Private Persons

The SAB finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons than the proposed regulations.

Alternatives to the Proposed Regulatory Action that would Lessen any Adverse Economic Impact on Small Business

The SAB has determined that the proposed regulations do not affect small businesses.

Finding of Significant Adverse Economic Impact on Businesses

The SAB has determined that the adoption of the regulations will not affect small businesses because they are not required to comply with or enforce the regulations, nor will they benefit from or be disadvantaged by the regulations.

Impact on Local Agencies or School Districts

The SAB has determined that the proposed regulations do not impose a mandate or a mandate requiring reimbursement by the State pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. It will not require local agencies or school districts to incur additional costs in order to comply with the proposed regulations.

ADDENDUM TO FINAL STATEMENT OF REASONS

The Office of Public School Construction, on behalf of the State Allocation Board, addresses the specific wording of “words and terms are used extensively in these regulations” and the relationship of the proposed regulatory definitions to the terminology in Education Code Section 17463.8(f).

It was overbroad to use the words “used extensively in these regulations” because at present, these regulations only contain proposed definitions, which were authorized by SB 1415 to be formulated by the State Allocation Board. However, the definitions will enhance and facilitate the use of the regulations in the event further sections are added, and insofar as a school district may become ineligible for participation in the School Facility Program, which has a separate set of regulations, for failing to meet the site sale proceeds criteria of SB 1415.

Concerning the proposed definition for “One-time Expenditures” which refers to the “general funds of a school district that are nonrecurring in nature...,” this choice of words is consistent with the phrasing of SB 1415 as it amends Education Code Section 17462. It is recognized that different terminology is used in Education Code Section 17463.8(f) defining a “one-time general fund purpose” as a nonrecurring cost payable from the general or special funds of a local educational agency,” The references to *special funds* and *local educational agency* may seem at variance from the proposed regulatory definition for “One-time Expenditure,” but subsection (f) specifies that such wording is only for purposes of Section 17463.8, which relates solely to the Oak Grove Elementary School District, and which becomes inoperative on January 1, 2010. Education Code Section 17463.8 is therefore of limited application and not conflicting with the proposed regulatory definition for “One-time Expenditure.”